

MBC Group
(A Listed Joint Stock Company)
And Its Subsidiaries

Interim Condensed Consolidated Financial Statements
For the three-month and six-months periods ended 30 June 2024 (Unaudited)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF MBC GROUP (A SAUDI JOINT STOCK COMPANY)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of MBC Group ("the Company") and its subsidiaries (collectively referred to as "the Group" as at 30 June 2024, and the related interim condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2024, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

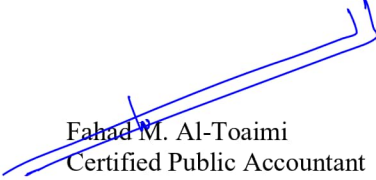
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young Professional Services


Fahad M. Al-Toaimi
Certified Public Accountant
License No. (354)

Riyadh: 4 Safar 1446H
8 August 2024



MBC Group (A Listed Joint Stock Company) And Its Subsidiaries
Interim Condensed Consolidated Statement of Comprehensive Income
For the three-months and six-months periods ended 30 June 2024

		<i>Three-months period ended 30 June 2024</i>	<i>Six-months period ended 30 June 2024</i>
	<i>Notes</i>	<i>(Unaudited) SAR'000</i>	<i>(Unaudited) SAR'000</i>
Revenue from contracts with customers	4	830,667	1,917,908
Other operating revenues	5	133,200	281,713
Direct costs	6	<u>(609,849)</u>	<u>(1,500,693)</u>
Gross profit		354,018	698,928
General and administrative expenses		<u>(261,115)</u>	<u>(541,711)</u>
Operating profit		92,903	157,217
Other income		16,960	37,731
Finance income – net		12,661	20,792
Share of results in associates and joint venture		8,660	23,704
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)		<u>(13,752)</u>	<u>458</u>
Profit before tax		117,432	239,902
Income tax		<u>(945)</u>	<u>(2,133)</u>
Profit for the period		116,487	237,769
Attributable to:			
Equity holders of the parent		102,557	212,059
Non-controlling interests		<u>13,930</u>	<u>25,710</u>
		116,487	237,769
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translating foreign operations, net		109	(5,368)
Share of other comprehensive income of associates, net		(53)	(53)
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Remeasurement actuarial loss on defined benefits obligations		<u>(1,144)</u>	<u>(2,987)</u>
Other comprehensive loss for the period		(1,088)	(8,408)
Total comprehensive income for the period		115,399	229,361
Attributable to:			
Equity holders of the parent		101,422	205,819
Non-controlling interests		<u>13,977</u>	<u>23,542</u>
		115,399	229,361
Earnings per share ("EPS"):			
Basic and diluted, attributable to ordinary equity holders of the parent (SAR)	14	<u>0.31</u>	<u>0.64</u>

* Since the company acquired the subsidiaries at the end of the comparative period, there are no revenues or expenses for that period. See the basis for preparation note (2-1).



Chairman - Waleed Al Ibrahim



CEO – Samuel Barnett



CFO – Hussam Eddin Alnouri

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2024

	Notes	30 June 2024 (Unaudited) SAR'000	31 December 2023 (Audited) SAR'000
ASSETS			
Non-current assets			
Property and equipment		147,505	116,275
Intangible assets		80,708	67,121
Right-of-use assets		44,645	59,347
Investments in associates and joint venture	7	1,283,548	1,201,204
Investment in financial asset at fair value through profit or loss (FVTPL)		16,349	15,891
Employees' end of service benefits plan assets	11	112,114	107,943
Deferred tax assets		1,872	1,397
Other non-current assets		20	21
		1,686,761	1,569,199
Current assets			
Inventories		2,534,962	2,590,326
Trade receivables, prepayments and other assets	8	2,374,508	2,733,318
Due from related parties	9	666,398	433,573
Bank balances and cash		1,039,777	826,803
Derivative financial instruments		6,027	6,028
		6,621,672	6,590,048
TOTAL ASSETS		8,308,433	8,159,247
EQUITY AND LIABILITIES			
Equity			
Share capital	10	3,325,000	2,992,500
Share premium		431,250	-
Proposed share capital increase		-	763,750
Retained earnings		231,429	22,357
Foreign currency translation reserve		(2,628)	625
Equity attributable to equity holders of the parent		3,985,051	3,779,232
Non-controlling interests		14,899	11,636
Total equity		3,999,950	3,790,868
Non-current liabilities			
Lease liabilities		30,011	32,524
Employees' end of service benefits	11	164,024	158,510
Loan from a related party		64,167	64,167
Deferred tax liability		6	9
		258,208	255,210
Current liabilities			
Lease liabilities		13,732	30,574
Trade and other payables	12	3,480,380	3,350,150
Due to related parties	9	58,913	47,695
Loan from a shareholder		497,250	497,250
Borrowings		-	187,500
		4,050,275	4,113,169
TOTAL LIABILITIES		4,308,483	4,368,379
TOTAL EQUITY AND LIABILITIES		8,308,433	8,159,247


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MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Interim Condensed Consolidated Statement of Cash Flows

For the six-months periods ended 30 June 2024

	<i>Notes</i>	<i>Six-months period ended 30 June 2024 (Unaudited) SAR'000</i>
OPERATING ACTIVITIES		
Profit before tax		239,902
Adjustments for:		
Depreciation on property and equipment		20,356
Depreciation on right-of-use assets		16,148
Allowance for expected credit loss, net		27,614
Amortisation of intangible assets		5,545
Share of results in associates and joint venture		(23,704)
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)		(458)
Provision for employees' end of service benefits	11	20,415
Finance income – net		(20,792)
		285,026
Working capital changes:		
Inventories		55,364
Trade receivables, prepayments and other assets		332,060
Due from related parties		(232,582)
Trade and other payables		107,310
Due to related parties		11,218
		558,396
Employees' end of service benefits paid	11	(21,519)
Interest received		21,886
Net cash flows generated from operating activities		558,763
INVESTING ACTIVITIES		
Additional investments in associates and joint venture		(58,693)
Purchase of property and equipment		(52,047)
Proceeds from sale of property and equipment		229
Purchase of intangible assets		(19,132)
Net cash flows used in investing activities		(129,643)
FINANCING ACTIVITIES		
Repayment of principal lease liability		(21,695)
Repayment of borrowings		(187,500)
Net cash flows used in financing activities		(209,195)
NET INCREASE IN BANK BALANCES AND CASH		219,925
Net foreign exchange difference		(7,150)
Bank balances and cash at beginning of the year		827,686
BANK BALANCES AND CASH AT THE END OF THE PERIOD		1,040,461

* Since the company acquired the subsidiaries at the end of the comparative period, there are no revenues or expenses for that period. See the basis for preparation note (2-1).


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The attached notes 1 to 16 form part of these interim condensed consolidated financial statements.

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries
Interim Condensed Consolidated Statement of Changes in Equity
For the six-months period ended 30 June 2024

	Attributable to equity holders of the Parent					Non-controlling interests (NCI)	Total Equity
	Share capital	Share premium	Proposed share capital increase	Foreign currency translation reserve	Retained earnings		
	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000	SAR '000
1 January 2024 (audited)	2,992,500	-	763,750	625	22,357	11,636	3,790,868
Transfer from proposed share capital increase to share capital and share premium (unaudited)	332,500	431,250	(763,750)	-	-	-	-
Total comprehensive income for the period:	-	-	-	-	212,059	25,710	237,769
- Profit for the period (unaudited)	-	-	-	(3,253)	(2,987)	(2,168)	(8,408)
- Other comprehensive income (unaudited)	-	-	-	(3,253)	209,072	23,542	229,361
Adjustments to non-controlling interest*	-	-	-	-	-	(20,279)	(20,279)
Balance at 30 June 2024 (unaudited)	3,325,000	431,250	-	(2,628)	231,429	14,899	3,999,950

* This represents the portion of the dividend declared by MMS FZ attributable to the minority shareholders.



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MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

1 CORPORATE INFORMATION

MBC Group (A listed joint stock company) (the “Company”) is a newly formed Company under Saudi laws that was incorporated as a Saudi closed joint stock company registered in Riyadh, Kingdom of Saudi Arabia (“KSA”) under commercial registration number 1010876295 dated 29 Ramadan 1444H (corresponding to 20 April 2023). The accompanying interim condensed consolidated financial statements consolidate the financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the “Group”). The principal activity of the Group is to provide broadcasting services, to operate free-to-air Pan-Arab entertainment channels and over-the-top (OTT) platform, and to produce content.

On 20 April 2023, pursuant to the reorganisation of the Group (the “reorganisation”), the shareholders established the Company as a closed joint stock company with a share capital of SAR 500,000 at SAR 10 per share, and transferred ownership of the Group entities, as listed below, to the Company.

The ownership of the Group entities was transferred from the previous holding company, MBC Group Holdings Limited (a company registered in the British Virgin Islands), to the Company - being new holding company, for nil consideration. The legal procedures to transfer ownership were completed on 22 June 2023.

As a result of the aforesaid transfer of shares, on 20 September 2023 the General Assembly of the Company approved to increase the share capital by SAR 2,992,000 thousand at a par value of SAR 10 per share (as a result the total share capital post increase amounted to SAR 2,992,500 thousand).

On 12 November 2023, the Extraordinary General Assembly approved the increase of the share capital from SAR 2,992,500,000, divided into 299,250,000 ordinary shares with a nominal value of SAR 10 per share to SAR 3,325,000,000 through the issuance of 33,250,000 new ordinary shares (representing 10% of the Company’s share capital after the increase) for subscription through an initial public offer (IPO) on the Saudi Stock Exchange Market (“Tadawul”) in KSA.

The new commercial registration of the Company, transforming it from a closed joint stock company into a listed joint stock company was issued on 1 January 2024. The trading of shares was officially announced on 8 January 2024.

These interim condensed consolidated financial statements of the Group include activities of the following entities:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest 2024</i>
MBC FZ LLC and its subsidiaries (“MBC FZ LLC”)	The principal activity of MBC FZ LLC and its subsidiaries is to provide broadcasting services and to operate free-to-air Pan-Arab entertainment channels. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%
MBC Studios FZ LLC (“MBC Studios”)	The main activities of MBC Studios (formerly known as O3 Productions FZ LLC) are production and post-production of television programmes. It also acquires television content for resale purposes. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%
MBC IP FZ LLC (“MBC IP”)	The main activity of MBC IP is to provide broadcast support services. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%
MBC Studios Projects FZ LLC (“MBC Studios Projects”)	The principal activity of MBC Studios Projects (formerly known as Eventique FZ LLC) is event management services and media content production. Its registered office address is P.O. Box 72627, Dubai, United Arab Emirates.	100%
Platinum Records FZ LLC (“Platinum”)	Platinum is mainly engaged in music label and rights management. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	100%

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

1 CORPORATE INFORMATION (continued)

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest 2024</i>
Wanasah FZ LLC (“Wanasah”)	Wanasah is mainly engaged in broadcasting services. It operates as Wanasah TV, a music television channel specialising in Arabic music. Its registered office address is MBC Building, Dubai Media City, P.O. Box 72627, Dubai, United Arab Emirates.	51%
MBC Holding Cyprus Limited (“MBC Holding Cyprus”)	MBC Holding Cyprus serves as a holding company for Middle East Broadcasting Centre (Lebanon SAL) and has no operations.	100%
MBC Ventures Limited (“MBC Ventures”)	MBC Ventures is incorporated in the British Virgin Island and engages in the business of investing in companies and start-ups.	100%
MBI FZ LLC (“MBI”)	The main activity of MBI is broadcasting TV segments. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%
MBC Media FZ-LLC (“MBC Media”)	The main activity of MBC Media is to provide broadcast support services. Its registered office address is MBC Building, Dubai Media City, Dubai, United Arab Emirates.	100%
MBC Initiatives LLC (“MBC Initiatives”)	MBC Initiatives is incorporated in the Kingdom of Saudi Arabia. The main activity of MBC Initiatives is management and development of artistic and entertainment talents.	100%
MBC Media Services BVI Limited (“MMS BVI”)	The main activity of MMS BVI is to provide advertising services for the Group.	100%
MBC Events Limited (“MBC Events”)	MBC Events is incorporated in the Kingdom of Saudi Arabia. The main activity of MBC Events is events and exhibitions management.	100%
MBC Media Saudi Arabia Co. Ltd. (“MBC KSA”)	The principal activity of MBC KSA is to provide broadcasting services in the Kingdom of Saudi Arabia.	100%

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

1 CORPORATE INFORMATION (continued)

Following are the subsidiaries of MBC FZ LLC:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest 2024</i>
MBC Group Holding Hungary Limited Liability Company, Hungary (“MBC Hungary”)	The principal activity of MBC Hungary is to manage certain distribution contracts. Its registered address is 1074 Budapest, Dohány utca 12, Hungary.	100%
MBC Jordan LLC (“MBC Jordan”)	The principal activity of MBC Jordan is to provide e-commerce services such as technical management of web sites and mobile applications, and other activities including brokerage, production and distribution of artwork. Its registered address is P.O. Box 855143, Amman, Jordan, 11855.	100%
MBC Media Cyprus Limited (“MBC Cyprus”)	MBC Media Cyprus was established in 2018 and its principal activity is to provide technical support services to the Group.	100%
Middle East Production Company (“MEP Egypt”)	The main activity of MEP Egypt is the production of television, cinema, broadcasting and media arts works.	90%*

* MBC FZ LLC owns 90% of the equity interest in MEP Egypt whilst the remaining 10% equity interest is owned by companies within the Group.

Following are the subsidiaries of MBC Studios Projects FZ LLC:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest 2024</i>
MBC Studios BVI Limited (“MBC Studios BVI”)	MBC Studios BVI is incorporated in the British Virgin Islands and engaged in entering into agreements relating to MBC Studios for writers who are registered under Writers Guild of America (WGA).	100%
Desert Warriors Holdings Limited	A fully owned subsidiary of MBC Studios Projects FZ LLC. The main activity of Desert Warriors Holdings Limited is content production and is incorporated in Abu Dhabi, United Arab Emirates.	100%
CG Drama Project Holdings Limited	A fully owned subsidiary of MBC Studios Projects FZ LLC. The main activity of CG Drama Project Holdings Limited is content production and is incorporated in the Abu Dhabi, United Arab Emirates.	100%
MBC Studios Projects Saudi Limited	A fully owned subsidiary of MBC Studios Projects FZ LLC. The main activity of MBC Studios Projects Saudi Limited is content production and is incorporated in the Kingdom of Saudi Arabia.	100%

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

1 CORPORATE INFORMATION (continued)

Following is the subsidiary of MBC Media Services BVI Limited:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest 2024</i>
MBC Media Solutions FZ-LLC (“MMS UAE”)	A subsidiary of MBC Media Services BVI Limited. The principal activity is to provide advertising services. The registered office address of the Company is P.O. Box 72627, Dubai, United Arab Emirates.	60%

Following are the subsidiaries of MMS UAE:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Legal and beneficial ownership interest 2024</i>
Al Wasa’il National Advertising Company (“MMS KSA”)	A subsidiary of MMS UAE which is incorporated in the Kingdom of Saudi Arabia. The main activity of MMS KSA is to provide advertising services. Its registered address is 3074 Prince Mohammed bin Abdulaziz road, Olaya, Riyadh 8022-12213, Kingdom of Saudi Arabia	100%
Al Miza Co. for Advertising (“MMS Egypt”)	A fully owned subsidiary of MMS UAE which is incorporated in Egypt. The main activity of MMS Egypt is to provide advertising services. Its registered address is 3rd floor, Building 5,7 Gezeriet El-Arab Street, Agouza, Giza, Egypt.	100%
MBC Media Solutions for Advertising Services LLC (MMS EGY)	The principal activity of MMS EGY is to provide advertising services. Its registered address is Star Capital Building, 4th floor, 5&7 Gezeiret El-Arab street, EL-Mohandesein, Cairo, Egypt.	99%

The interim condensed consolidated financial statements of the Group were authorised for issue by the Board of Directors of the Company on 7 August 2024 (corresponding to 3 Safar 1446H).

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the six-months ended 30 June 2024 have been prepared in accordance International Accounting Standard (IAS) 34, “Interim Financial Reporting”, that is endorsed in the Kingdom of Saudi Arabia (“KSA”), and other standards and pronouncements announced by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The results for the interim periods are unaudited and include all adjustments necessary for a fair presentation of the results for the periods presented. This condensed consolidated interim financial report should be read in conjunction with the annual consolidated financial statements and related notes for the year December 31, 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom, and other standards and pronouncements issued by SOCPA.

Pursuant to directives issued by SOCPA, considering the Company (being the new holding company of the Group) to be legally existing only from the date of incorporation, retrospective presentation of the consolidated financial statements as if the holding company had always owned its subsidiaries could not be used, and only prospective presentation must be used. Accordingly, comparative figures in respect of the statements of comprehensive income and cash flows were presented from inception date to period end of the comparative period. The company acquired the subsidiaries effectively the end of the comparative period, hence there were no revenues or expenses for that period. Note 15 to the interim condensed consolidated financial statements provide additional financial information.

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

2.1 BASIS OF PREPARATION (continued)

Except for the defined employees' benefits liabilities which are recognized at the present value of future liabilities using the projected unit credit method, derivative financial instruments, and investment in financial asset which are recognized at fair value through profit or loss, the interim condensed consolidated financial statements are prepared under the historical cost convention and have been presented in Saudi Riyad (SAR).

2.2 BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There are new standards and number of amendments to standards which are effective from 1 January 2024 which has been explained in Group annual consolidated financial statements, furthermore, there was no material impact on the group's interim condensed consolidated financial statements.

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

3 OPERATING SEGMENTS

A segment is a separate and distinct unit of the Group's engagement in business activities that result in recognition of revenues or expenses. Operating segments are disclosed on the basis of internal reports reviewed by the Chief Executive Officer, Chief Financial Officer and other key management personnel, who are the Chief Operating Decision Maker (CODM), and responsible for resource allocation, performance evaluation, and strategic decision making on operational segments. Operating segments with similar economic characteristics, products, services, and similar customer categories are aggregated and recorded where possible as units to be reported.

Segment basis

The Group generates its revenue primarily from: (i) advertising revenue, predominantly from advertisers placing advertisements on its free-to-air TV channels, radio channels, and on the Group's advertising-video-on-demand streaming platform ("AVOD"), (ii) revenue from subscriptions of the Group's Shahid VIP subscription-video-on-demand ("SVOD") service, and (iii) ancillary revenue from its other business operations. The Group also benefits from funding received through its majority shareholder for various projects and initiatives, including for production of its content.

The Group has the following strategic segments which provide different services, have different economic characteristics – such as sales growth trends, rates of returns, capital investment levels – and are managed separately.

Segment	Operations
<ul style="list-style-type: none">• Broadcasting and other commercial Activities	<p>TV, radio, and social media and ancillary activities</p> <p>Broadcasting and other commercial activities segment is the largest of the Group's business segments with revenues earned primarily from advertising on its FTA TV, radio channels and social media, collectively as broadcasting activities. Broadcasting also generates a variety of additional non-advertising revenues, such as from carriage agreements and interactive games for viewers.</p> <p>The Group is also engaged in varied range of media-related activities such as interactive games, events, music publishing, and talent management. The Group is in the process of further diversifying its revenue base by building up its events management business and developing its own video games. The Group aims to leverage its brand and its long-standing know-how in these additional businesses to expand its activities in these areas.</p>
<ul style="list-style-type: none">• Shahid	<p>Video streaming on the Shahid platform</p> <p>One of the Group's main operating segment is Shahid for which the Group is currently strongly investing in to drive future growth. The Group's Shahid OTT platform is available both as an SVOD service (also called Shahid VIP) as well as a "free" AVOD service and broadcasting services.</p>
<ul style="list-style-type: none">• Media & Entertainment Initiatives ("M&E Initiatives")	<p>Media and Entertainment</p> <p>Given the Group's capabilities and position in the media sector and the successes it has achieved historically, it has been chosen as a strategic partner of the KSA government for the implementation of media and entertainment projects and initiatives that will develop the media ecosystem in the KSA and the region in accordance with Saudi Vision 2030.</p> <p>The Group receives funding for these projects from the government [represented by its majority shareholder Istedamah Holding Company ("Istedamah"), a KSA government-owned company], in consideration for the Group's commitment to implement such projects in accordance with specified performance indicators and other obligations which it must fulfil. The Group contributes to the development of the local KSA media and entertainment industry by continuously investing in various entertainment and media initiatives in the KSA including high-quality Arabic content production, broadcasting of certain TV channels, gaming, developing talent and events management in the KSA. Furthermore, the Group is, through its move to the KSA, directly creating new employment opportunities for individuals in the entertainment industry in the KSA.</p>

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

3 OPERATING SEGMENTS (continued)

Segment financial information

Financial results of each segment are presented below. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed interim condensed consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income tax are managed on a Group basis and are not allocated to operating segments.

The comparative figures for the same period are not applicable since the acquisition of the subsidiaries took place effectively on 30 June 2023.

For the three-months period ended 30 June 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&E Initiatives</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contract with customers	562,772	259,141	8,754	830,667
Other operating revenues	2,887	-	130,313	133,200
Total revenue	565,659	259,141	139,067	963,867
Operating costs*	(450,837)	(274,854)	(132,497)	(858,188)
Other income	15,293	1,667	-	16,960
Share of results in associates and joint venture (net)	12,023	-	(3,363)	8,660
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)	(13,752)	-	-	(13,752)
Finance income – net	10,956	-	1,705	12,661
Depreciation and amortisation	(9,640)	(2,944)	(192)	(12,776)
Segment results before income tax	129,702	(16,990)	4,720	117,432

For the six-months period ended 30 June 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&E Initiatives</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contract with customers	1,334,769	557,326	25,813	1,917,908
Other operating revenues	5,775	-	275,938	281,713
Total revenue	1,340,544	557,326	301,751	2,199,621
Operating costs*	(1,149,700)	(576,532)	(290,279)	(2,016,511)
Other income	35,927	1,771	33	37,731
Share of results in associates and joint venture (net)	30,966	-	(7,262)	23,704
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)	458	-	-	458
Finance income – net	17,574	-	3,218	20,792
Depreciation and amortisation	(19,338)	(6,030)	(525)	(25,893)
Segment results before income tax	256,431	(23,465)	6,936	239,902

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3 OPERATING SEGMENTS (continued)

Segment financial information (continued)

*Operating costs include Direct costs and General and administrative expenses except for depreciation of property and equipment and amortization of intangible assets which are presented as separate line items.

Segment assets

The table below summarizes the key assets per segment:

As of 30 June 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&E Initiatives</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Inventories	526,826	730,055	1,278,081	2,534,962
Property and equipment	108,670	35,626	3,209	147,505
Investments in associates and joint Venture	1,283,548	-	-	1,283,548
Investment in financial asset at fair value through profit or loss (FVTPL)	16,349	-	-	16,349
Total	1,935,393	765,681	1,281,290	3,982,364

As of 31 December 2023 (audited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&E Initiatives</i>	<i>Total</i>
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Inventories	643,063	654,830	1,292,433	2,590,326
Property and equipment	85,663	28,083	2,529	116,275
Investments in associates and joint venture	1,201,204	-	-	1,201,204
Investment in financial asset at fair value through profit or loss (FVTPL)	15,891	-	-	15,891
Total	1,945,821	682,913	1,294,962	3,923,696

Geographic information

The table below summarizes geographic information of the Group's revenue from contract with customers based on where the service is provided.

	<i>Three-months period ended 30 June 2024 (Unaudited) SAR'000</i>	<i>Six-months period ended 30 June 2024 (Unaudited) SAR'000</i>
Revenue from contracts with customers:		
GCC*	682,617	1,608,577
Egypt	75,000	151,250
Others**	73,050	158,081
Total	830,667	1,917,908

(Since the company acquired the subsidiaries at the end of the comparative period, there are no revenues or expenses for that period).

* GCC includes revenue earned mainly in UAE and Kingdom of Saudi Arabia where various revenue types are provided.

** Others include North Africa and Iraq where the Group broadcasts two of its TV channels, as well as other countries outside of GCC and Egypt where subscribers to its OTT platform, Shahid, are based.

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4 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three-months period ended 30 June 2024 (Unaudited) SAR'000</i>	<i>Six-months period ended 30 June 2024 (Unaudited) SAR'000</i>
Advertising revenue	340,653	838,611
Digital revenue	210,155	426,285
Broadcast and technical services revenue*	193,464	484,504
Distribution revenue	31,346	60,747
Interactivity revenue	16,980	31,949
Event management revenue	-	13,392
Programme revenue	5,697	15,665
Artists management revenue	58	83
Other revenues	32,314	46,672
	830,667	1,917,908

(Since the company acquired the subsidiaries at the end of the comparative period, there are no revenues or expenses for that period).

* Broadcast and technical services revenue includes reclassified amounts previously grouped under other revenues in the interim condensed consolidated financial statements for the 3 months ended 31 March 2024.

5 OTHER OPERATING REVENUES

The Group receives, from the Government of the KSA, government funding to implement a number of expansion initiatives which contribute to the overall KSA vision to build up the media sector in the KSA. The funding covers the costs of implementation of these initiatives in various entertainment and media initiatives in the KSA including broadcasting of certain TV channels dedicated to viewers outside of KSA, content production, gaming, developing talent and events management in the KSA, as well as by creating new employment opportunities for individuals in the entertainment industry in the KSA. Receipt by the Group of the relevant amounts is linked to pre-agreed KPIs that must be satisfied, or milestones that must be reached. The Group has in the past been able to achieve such KPIs and requirements. Amounts received towards these initiatives are recognised in the interim condensed consolidated statement of comprehensive income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the funds are intended to compensate.

During the period, the Group has assessed (in accordance with the accounting judgment for the other operating revenues) the following as government grants and accordingly they have been recognised as other operating revenues related to the following initiatives:

	<i>Three-months period ended 30 June 2024 (Unaudited) SAR'000</i>	<i>Six-months period ended 30 June 2024 (Unaudited) SAR'000</i>
TV channels initiatives and MBC		
Academy initiatives (a)	62,792	180,963
Production related initiatives (a)	64,158	87,713
Gaming initiative (b)	3,363	7,262
Relocation cost (c)	2,887	5,775
	133,200	281,713

(Since the company acquired the subsidiaries at the end of the comparative period, there are no revenues or expenses for that period).

As disclosed above, the Group receives funding, from Government of KSA, subject to satisfactory performance against certain criteria. The funding is based on annual pre-approved expenditure which also sets a maximum entitlement limit. Depending upon the nature of the funding the related costs have been accounted for as follows:

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5 OTHER OPERATING REVENUES (continued)

- (a) On TV channels initiatives and MBC Academy initiatives, production related initiatives and relating to other government related projects, the vast majority of the related costs are included within 'Direct costs' (Note 6).
- (b) On gaming initiative, the related costs are adjusted against the 'Share of results in associates and joint venture'.
- (c) On relocation cost, the related costs are included within 'General and administrative expenses'.

To the extent government fundings have been recognized within income, there are no unfulfilled conditions or contingencies attached to the above fundings.

Below is the reconciliation of other operating revenues with the deferred revenues (Note 12) and due from related parties (Note 9):

(The comparative figures for the same period are not applicable since the acquisition of the subsidiaries took place end of the comparative period).

	<i>TV channels initiatives and MBC Academy initiatives SAR'000</i>	<i>Production related initiatives SAR'000</i>	<i>Gaming initiative SAR'000</i>	<i>Riyadh head office capital expenditure SAR'000</i>	<i>Relocation cost SAR'000</i>	<i>Total SAR'000</i>
As at 1 January 2024 (audited):						
<i>Due from the Intermediate Parent Company</i>	24,921	-	-	-	7,554	32,475
<i>Deferred revenue</i>	(19,151)	(1,427,220)	(223,495)	(180,750)	(58,085)	(1,908,701)
Add: Income recognised during the period (Note 5)	180,963	87,713	7,262	-	5,775	281,713
Add: Income netted off against related expense	-	-	-	-	41,550	41,550
As at 30 June 2024 (unaudited):						
<i>Due from the Intermediate Parent Company</i>	<u>189,583</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,554</u>	<u>197,137</u>
<i>Deferred revenue (note 12)</i>	<u>(2,850)</u>	<u>*(1,339,507)</u>	<u>(216,233)</u>	<u>(180,750)</u>	<u>(10,760)</u>	<u>(1,750,100)</u>

* The deferred amount corresponds to inventories which remain as work-in-progress (WIP) as of 30 June 2024 amounting to SAR 1,276,952 thousand.

Subsequent to the reporting date, the Group received amounts towards other operating revenue recognized during the period.

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6 DIRECT COSTS

	<i>Three-months period ended 30 June 2024 (Unaudited)</i>	<i>Six-months period ended 30 June 2024 (Unaudited)</i>
Cost of programmes	321,727	706,636
Cost of broadcasting and technical services *	109,408	379,401
Digital costs	74,542	171,366
Marketing costs	29,893	72,377
Cost of advertising sales	14,062	33,807
Programme overheads	13,957	29,731
Technical costs	8,754	21,953
Transmission expenses	5,068	10,128
Interactivity costs	4,201	7,378
Programme stocks write-off	4,079	5,333
Distribution costs	2,470	4,104
Cost of events management	60	10,936
Other expenses	21,628	47,543
	609,849	1,500,693

(Since the company acquired the subsidiaries at the end of the comparative period, there are no revenues or expenses for that period).

* Cost of broadcasting and technical services includes reclassified amounts previously grouped under other expenses, marketing costs, transmission expenses and cost of programs in the interim condensed consolidated financial statements for the 3 months ended 31 March 2024.

7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE

The Group has the following investments in associates and joint venture on the interim condensed consolidated statement of financial position:

	<i>30 June 2024 (unaudited) SAR'000</i>	<i>31 December 2023 (audited) SAR'000</i>
Investment in equity accounted joint venture (7.1)	260,793	209,362
Investment in associates (7.2)	1,022,755	991,842
	1,283,548	1,201,204

7.1) Investments in a joint venture:

The Group has the following investment in equity accounted joint venture:

	<i>30 June 2024 (unaudited) SAR'000</i>	<i>31 December 2023 (audited) SAR'000</i>
MBC Game Studio	260,793	209,362
O3 Turkey	-	-
	260,793	209,362

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7 INVESTMENTS IN ASSOCIATES AND JOINT VENTURE (continued)

7.1) Investments in a joint venture (continued)

The movement in the investment in joint venture during the period is as follows:

	<i>30 June 2024</i> <i>(unaudited)</i> <i>SAR'000</i>
As at 1 January (audited)	209,362
Additional Investment	58,693
Share of results*	(7,262)
At 30 June	<u><u>260,793</u></u>

*As per Note 5, the share of results has been reimbursed by the Intermediate Parent Company.

7.2) Investments in associates:

The Group's investment in associates as of period end reporting date is as follows:

	<i>30 June 2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2023</i> <i>(audited)</i> <i>SAR'000</i>
Wego	16,367	16,512
Tapmad	14,805	14,127
ACSC	991,583	961,203
	<u><u>1,022,755</u></u>	<u><u>991,842</u></u>

	<i>Period ended 30 June 2024 (unaudited)</i>			
	<i>Wego</i> <i>SAR'000</i>	<i>Tapmad</i> <i>SAR'000</i>	<i>ACSC</i> <i>SAR'000</i>	<i>Total</i> <i>SAR'000</i>
As at 1 January	16,512	14,127	961,203	991,842
Share of results	*(145)	678	30,380	30,913
As at 30 June (unaudited)	<u><u>16,367</u></u>	<u><u>14,805</u></u>	<u><u>991,583</u></u>	<u><u>1,022,755</u></u>

* This balance includes share of results in investments in associate relating to OCI amounting to SAR 53 thousand.

8 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS

	<i>30 June 2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2023</i> <i>(audited)</i> <i>SAR'000</i>
Trade receivables	1,139,162	790,502
Contract assets	537,395	528,118
Less: allowance for expected credit loss (Note 8.1)	(221,727)	(211,892)
	<u>1,454,830</u>	<u>1,106,728</u>
Advance for programme rights	520,873	465,536
Deposits	13,551	15,998
Advance to suppliers	96,988	54,985
Prepaid expenses	56,365	27,344
Staff receivables	2,617	8,000
Other receivables*	229,284	1,054,727
	<u><u>2,374,508</u></u>	<u><u>2,733,318</u></u>

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8 TRADE RECEIVABLES, PREPAYMENTS AND OTHER ASSETS (Continued)

* Included in Other receivables is balance receivable from the Ultimate Controlling Party of SAR 71,625 thousand (31 December 2023: SAR 71,625 thousand) representing remaining balance of compensation for loss of business granted in 2018. The compensation to be received, which has been estimated at SAR 187,500 thousand was recognised in 2018 within the Group's consolidated statement of comprehensive income. During the period, SAR Nil of this compensation was received. The compensation has been recognised up to the amount that management is reasonably certain will be received. The Group expects to receive the remaining amount within 12 months from the interim condensed consolidated statement of financial position date.

In addition to the above, other receivables include a balance of SAR Nil (2023: SAR 763,750 thousand) with respect to the proposed share capital increase. The outstanding balance as of 31 December 2023 was settled during the month of January 2024.

8.1 Movements in allowance for expected credit loss are as follows:

	30 June 2024 (unaudited) SAR'000
As at 1 January	211,892
Allowance during the period, net	26,698
Transfer	1,000
Write-off	(17,723)
Foreign exchange differences	(140)
As at 30 June	<u><u>221,727</u></u>

9 RELATED PARTY TRANSACTIONS, BALANCES AND LOAN

a) Balances with related parties included in the consolidated statement of financial position are as follows:

Due from related parties:

	30 June 2024 (unaudited) SAR'000	31 December 2023 (audited) SAR'000
<i>Shareholder</i>		
Intermediate Parent Company	197,137	32,475
<i>Companies under common control</i>		
MBC Group Holdings Ltd	182,550	168,077
Middle East News FZ LLC	92,413	28,044
ARA International Productions Company LLC	54,140	52,874
Al Sadaf for Sonic Visual Production	739	3,037
Al Arabiya Media Network Company	1,882	1,571
Middle East News UK LTD	296	-
<i>Joint ventures and associates</i>		
O Three Media Production Co. KSA	2,850	2,850
O3 Turkey Medya Produksiyon, Turkey	11,682	11,907
<i>Others</i>		
O2 Production	13	13
Saudi Media Advertising Company	74,328	84,356
MBC International FZ LLC	48,368	48,369
At 30 June/ 31 December	<u><u>666,398</u></u>	<u><u>433,573</u></u>

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9 RELATED PARTY TRANSACTIONS, BALANCES AND LOAN (continued)

b) Balances with related parties included in the consolidated statement of financial position are as follows:

Due to related parties:

	<i>30 June 2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December 2023</i> <i>(audited)</i> <i>SAR'000</i>
<i>Shareholder</i>		
Waleed Bin Ibrahim Al Brahim	13,758	13,766
<i>Companies under common control</i>		
Al Arabiya News Channel FZ LLC	9,000	8,494
Middle East News UK Limited	-	79
Others	-	8
<i>Joint venture and associates</i>		
MBC Game Studio Limited KSA	22,439	23,059
Arabian Contracting Services Company (ACSC)	13,716	2,289
At 30 June/ 31 December	<u>58,913</u>	<u>47,695</u>

c) Significant material transactions with related parties included in the consolidated statement of comprehensive income as follows:

	<i>Three-months</i> <i>period ended 30</i> <i>June 2024</i> <i>(Unaudited)</i> <i>SAR'000</i>	<i>Six-months period</i> <i>ended 30 June</i> <i>2024</i> <i>(Unaudited)</i> <i>SAR'000</i>
<i>Ultimate Controlling Party</i>		
Other income	9,048	19,397
<i>Intermediate Parent Company</i>		
Other operating revenues (Note 5)	133,200	281,713
<i>Entities under common control</i>		
Expenses recharged to related parties	14,624	42,804
Rental income	2,366	4,732
Cost of news programmes	119	937
Direct costs	15,128	41,241
Revenue from contracts with customers	3,992	10,235
Purchases	13,006	40,864
<i>Others</i>		
Revenue from contracts with customers	1,571	8,596

(Since the company acquired the subsidiaries at the end of the comparative period, there are no revenues or expenses for that period).

d) Compensation to directors and key management personnel

Compensation policies for and composition of key management personnel remain consistent with 2023.

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10 SHARE CAPITAL

	<i>30 June 2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2023</i> <i>(audited)</i> <i>SAR'000</i>
<i>Authorised shares</i>		
332,500 thousand ordinary shares of SAR 10 each	<u>3,325,000</u>	<u>3,325,000</u>
<i>Ordinary shares issued and fully paid</i>		
332,500 thousand ordinary shares (2023: 299,250 thousand ordinary shares) of SAR 10 each	<u>3,325,000</u>	<u>2,992,500</u>

The Intermediate Parent Company of the Company is Al Istedamah Holding Company, an entity incorporated in the Kingdom of Saudi Arabia. The Ultimate Controlling Party is the Ministry of Finance, Government of the Kingdom of Saudi Arabia.

11 EMPLOYEES' END OF SERVICE BENEFITS

The movements of the employees' end of service benefits liability recognised in the interim condensed consolidated statement of financial position are as follows:

	<i>30 June 2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2023</i> <i>(audited)</i> <i>SAR'000</i>
Balance as at 1 January/ 20 April	158,510	-
Transfer on reorganisation	-	163,822
Current service cost	16,745	15,857
Interest costs/(income)	3,670	(3,022)
Remeasurement actuarial loss/(gain)	2,987	(1,531)
Accrual of benefit plan asset interest	4,171	2,911
Transferred from related parties	520	276
Payments during the period	(21,519)	(19,803)
Foreign exchange differences	(1,060)	-
Balance as at 30 June/ 31 December	<u>164,024</u>	<u>158,510</u>

The movement of the plan assets is as follows:

	<i>30 June 2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2023</i> <i>(audited)</i> <i>SAR'000</i>
Balance as at 1 January/20 April	107,943	-
Transfer on reorganisation	-	105,032
Interest earned during the period	4,171	2,911
As at 30 June/31 December	<u>112,114</u>	<u>107,943</u>

12 TRADE AND OTHER PAYABLES

	<i>30 June 2024</i> <i>(unaudited)</i> <i>SAR'000</i>	<i>31 December</i> <i>2023</i> <i>(audited)</i> <i>SAR'000</i>
Trade payables	454,325	312,831
Deferred revenue (Note 5)	1,750,100	1,908,701
Accrued expenses	723,292	688,146
Contract liabilities	483,478	396,671
Provision for income tax and zakat	12,389	8,873
Other payables	56,796	34,928
	<u>3,480,380</u>	<u>3,350,150</u>

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13 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Judgements, estimates and assumptions

The critical judgements and estimates used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2023.

14 EARNING PER SHARE

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	<i>Three-months period ended 30 June 2024 (Unaudited) SAR'000</i>	<i>Six-months period ended 30 June 2024 (Unaudited) SAR'000</i>
Profit for the period attributable to ordinary equity holders of the parent*	102,557	212,059
<u>Weighted average number of shares:</u>		
Weighted average number of ordinary shares outstanding for the period, for basic EPS	332,500	332,500
Impact of dilution due to proposed share capital increase**	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution, for diluted EPS	<u>332,500</u>	<u>332,500</u>

* The profit for the period attributable to ordinary equity holders of the parent is same for basic and diluted EPS.

** There is no impact of dilution as the shares were transferred to ordinary share capital on 1 January 2024.

	<i>Three-months period ended 30 June 2024 (Unaudited) SAR</i>	<i>Six-months period ended 30 June 2024 (Unaudited) SAR</i>
Basic/diluted EPS	<u>0.31</u>	<u>0.64</u>

(Since the company acquired the subsidiaries at the end of the comparative period, there are no revenues or expenses for that period).

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15 ADDITIONAL FINANCIAL INFORMATION

In an event of adopting retrospective financial reporting under the principle of ‘substance over form’ as explained in Note 1, that the reorganisation is in substance a combination of the existing Group entities as if the Company had always owned the existing Group entities, the consolidated statement of comprehensive income for the period ended 30 June 2024 and 2023 of the Group would have been presented to include comparative figures as follows:

Interim condensed consolidated statement of comprehensive income:

	<i>Three-months period ended 30 June 2024 (Unaudited) SAR'000</i>	<i>Three-months period ended 30 June 2023 (Unaudited) SAR'000</i>	<i>Six-months period ended 30 June 2024 (Unaudited) SAR'000</i>	<i>Six-months period ended 30 June 2023 (Unaudited) SAR'000</i>
Revenue from contracts with customers	830,667	766,004	1,917,908	1,465,330
Other operating revenues	133,200	324,631	281,713	534,386
Direct costs	<u>(609,849)</u>	<u>(802,638)</u>	<u>(1,500,693)</u>	<u>(1,551,450)</u>
Gross profit	354,018	287,997	698,928	448,266
General and administrative expenses	<u>(261,115)</u>	<u>(241,449)</u>	<u>(541,711)</u>	<u>(451,558)</u>
Operating profit	92,903	46,548	157,217	(3,292)
Other income	16,960	29,551	37,731	49,154
Finance income – net	12,661	(3,558)	20,792	(4,478)
Share of results in associates and joint venture	8,660	7,120	23,704	22,319
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)	(13,752)	(5,742)	458	(4,980)
Gain on derivative financial instruments	-	268	-	268
Profit before tax	117,432	74,187	239,902	58,991
Income tax	<u>(945)</u>	<u>(4,249)</u>	<u>(2,133)</u>	<u>(7,257)</u>
Profit for the period	116,487	69,938	237,769	51,734
Attributable to:				
Equity holders of the parent	102,557	69,178	212,059	46,267
Non-controlling interests	<u>13,930</u>	<u>760</u>	<u>25,710</u>	<u>5,467</u>
	116,487	69,938	237,769	51,734
Other comprehensive income				
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Exchange differences on translating foreign operations, net	109	1,185	(5,368)	(1,225)
Share of other comprehensive income of associates, net	(53)	(549)	(53)	(1,437)
<i>Other comprehensive income that may not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Remeasurement actuarial loss on defined benefits obligations	<u>(1,144)</u>	<u>(2,330)</u>	<u>(2,987)</u>	<u>(2,330)</u>
Other comprehensive loss for the period	(1,088)	(1,694)	(8,408)	(4,992)
Total comprehensive income for the period	115,399	68,244	229,361	46,742
Attributable to:				
Equity holders of the parent	101,422	67,010	205,819	41,797
Non-controlling interests	<u>13,977</u>	<u>1,234</u>	<u>23,542</u>	<u>4,945</u>
	115,399	68,244	229,361	46,742

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

15 ADDITIONAL FINANCIAL INFORMATION (continued)

The revenue from contracts with customers for the periods ended 30 June 2024 and 2023 is presented below:

	<i>Three-months period ended 30 June 2024 (Unaudited)</i>	<i>Three-months period ended 30 June 2023 (Unaudited)</i>	<i>Six-months period ended 30 June 2024 (Unaudited)</i>	<i>Six-months period ended 30 June 2023 (Unaudited)</i>
Advertising revenue (i)	340,653	389,041	838,611	755,582
Digital revenue	210,155	182,270	426,285	332,195
Broadcast and technical services revenue (ii)*	193,464	117,057	484,504	242,673
Distribution revenue	31,346	25,936	60,747	49,000
Interactivity revenue	16,980	26,607	31,949	42,895
Event management revenue	-	288	13,392	2,402
Programme revenue	5,697	3,213	15,665	4,984
Artists management revenue	58	1,700	83	1,800
Other revenues	32,314	19,892	46,672	33,799
	830,667	766,004	1,917,908	1,465,330

* Broadcast and technical services revenue includes reclassified amounts previously grouped under Other revenues in historical periods.

(i) Advertising revenue

Advertising revenue is presented net of volume rebates for the six-month period ended 30 June 2024 amounting to SAR 66,853 thousand (30 June 2023: SAR 57,704 thousand).

(ii) Broadcast and technical services revenue

Broadcast and technical services revenue represent mainly the Group's revenue from providing broadcast and technical services for the Saudi Sports Channels, owned by Saudi Sports Company (SSC) and Al Thakafya Channel, owned by the Ministry of Culture (MOC), revenue earned from production and technical services for Joy Awards, among others.

Revenue recognized from SSC for the period ended 30 June 2024 amounted to SAR 148,660 thousand (30 June 2023: 117,363 thousand).

During the period ended 30 June 2024, the Group recognized an amount of SAR 127,390 thousand (30 June 2023: SAR 7,897 thousand) for services provided to Al Thakafya Channel.

In addition to the above, the Group also recognized revenue of SAR 208,454 thousand (30 June 2023: SAR 117,413 thousand) with respect to Joy Awards and other projects.

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

15 ADDITIONAL FINANCIAL INFORMATION (continued)

Results of operating segments for the period ended 30 June 2024 and 2023 are presented below:

Three-months period ended 30 June 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&E Initiatives</i>	<i>Total</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contract with customers	562,772	259,141	8,754	830,667
Other operating revenues	2,887	-	130,313	133,200
Total revenue	565,659	259,141	139,067	963,867
Operating costs*	(450,837)	(274,854)	(132,497)	(858,188)
Other income	15,293	1,667	-	16,960
Share of results in associates and joint venture (net)	12,023	-	(3,363)	8,660
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)	(13,752)	-	-	(13,752)
Finance income – net	10,956	-	1,705	12,661
Depreciation and amortisation	(9,640)	(2,944)	(192)	(12,776)
Segment results before income tax	129,702	(16,990)	4,720	117,432

Three-months period ended 30 June 2023 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i>	<i>Shahid</i>	<i>M&E Initiatives</i>	<i>Total</i>
	<i>(a)</i>	<i>(b)</i>	<i>(c)</i>	
	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>	<i>SAR'000</i>
Revenue from contract with customers	525,044	223,198	17,762	766,004
Other operating revenues	36,872	-	287,759	324,631
Total revenue	561,916	223,198	305,521	1,090,635
Operating costs*	(451,785)	(276,295)	(302,910)	(1,030,990)
Other income	24,704	4,884	(38)	29,550
Share of results in associates and joint venture (net)	9,341	-	(2,220)	7,121
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)	(5,474)	-	-	(5,474)
Finance cost – net	(3,554)	-	(4)	(3,558)
Depreciation and amortisation	(9,948)	(2,861)	(288)	(13,097)
Segment results before income tax	125,200	(51,074)	61	74,187

MBC Group (A Listed Joint Stock Company) And Its Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements

30 June 2024

15 ADDITIONAL FINANCIAL INFORMATION (continued)

Results of operating segments for the period ended 30 June 2024 and 2023 are presented below (continued):

Six-months period ended 30 June 2024 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i> (a) SAR'000	<i>Shahid</i> (b) SAR'000	<i>M&E Initiatives</i> (c) SAR'000	<i>Total</i> SAR'000
Revenue from contract with customers	1,334,769	557,326	25,813	1,917,908
Other operating revenues	5,775	-	275,938	281,713
Total revenue	1,340,544	557,326	301,751	2,199,621
Operating costs*	(1,149,700)	(576,532)	(290,279)	(2,016,511)
Other income	35,927	1,771	33	37,731
Share of results in associates and joint venture (net)	30,966	-	(7,262)	23,704
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL)	458	-	-	458
Finance income – net	17,574	-	3,218	20,792
Depreciation and amortisation	(19,338)	(6,030)	(525)	(25,893)
Segment results before income tax	256,431	(23,465)	6,936	239,902

Six-months period ended 30 June 2023 (unaudited)

	<i>Broadcasting and Other Commercial Activities</i> (a) SAR'000	<i>Shahid</i> (b) SAR'000	<i>M&E Initiatives</i> (c) SAR'000	<i>Total</i> SAR'000
Revenue from contract with customers	1,039,452	395,658	30,220	1,465,330
Other operating revenues	73,744	-	460,642	534,386
Total revenue	1,113,196	395,658	490,862	1,999,716
Operating costs*	(944,198)	(548,439)	(485,719)	(1,978,356)
Other income	44,195	4,884	75	49,154
Share of results in associates and joint venture (net)	26,790	-	(4,471)	22,319
Unrealised gain on investment in financial asset at fair value through profit or loss (FVTPL) and derivative financial instruments	(4,712)	-	-	(4,712)
Finance cost – net	(4,449)	-	(30)	(4,479)
Depreciation and amortisation	(18,461)	(5,644)	(546)	(24,651)
Segment results before income tax	212,361	(153,541)	171	58,991

* Operating costs include direct costs and general and administrative expenses except for depreciation of fixed assets and amortization of intangible assets which are presented as separate line items

(a) Broadcasting and Other commercial activities

Primarily includes advertising and other broadcasting-related ancillary activities

(b) Shahid

Represents the results of operations of the Group's OTT platform

(c) M&E Initiatives

Includes revenues from funding linked to M&E Initiatives across various verticals (channel operations in selected markets, content production, gaming and academy)

16 SUBSEQUENT EVENTS

As per management opinion, there are no significant subsequent events after the period ended 30 June 2024 that could have a material impact on the Group's interim condensed consolidated financial position or the results of its operations.